

---

***GAP FINANCING APPLICATION  
TAX CREDIT PROJECTS FY07, FY08 & FY09***

---



**GAP FINANCING  
APPLICATION**

**Application Due Dates**

2007 & 2008 Projects  
Applications Due: June 26, 2009 by 4p.m.

2009 Applications  
Applications Due: July 15, 2009 by 4p.m.

***Non-Refundable Application Fee: \$3,500***

**Arizona Department of Housing**

1110 W. Washington, Suite 310, Phoenix, AZ 85007  
Telephone: (602) 771-1000 Facsimile: (602) 771-1002 TTY: (602) 771-1001

*This document may be made available in alternative formats upon request. Please contact Joy Johnson, Arizona Department of Housing, 1110 West Washington Street, Suite 310, Phoenix, Arizona, by telephone at (602) 771-1026 or TTY (602) 771-1001, or by email at: [joy.johnson@azhousing.gov](mailto:joy.johnson@azhousing.gov)*

---

# GAP FINANCING APPLICATION

## *Gap Financing for Tax Credit Projects FY07, FY08 & FY09*

---

### I. INTRODUCTION

Use this application to apply for gap financing for rental development projects that receive or received a reservation of Low Income Housing Tax Credits (“LIHTC”) under the Arizona Department of Housing (“ADOH” or “the Department”) 2007, 2008, and 2009 Qualified Allocation Plans (“QAP’s”).

Tax Exempt Bonds/4%-tax credit projects must submit an application for gap financing with the 4%-tax credit application. Applicants for 4%-credit projects should contact ADOH prior to submitting an application for gap financing to verify the availability of funding.

For projects receiving tax credits under the under the 2007 QAP, 2008 QAP, and 2009 QAP, gap financing is available through three sources administered by ADOH: Housing Trust Funds, HOME Investment Partnerships Program, and the Tax Credit Assistance Program (“TCAP”).

Tax Credit Exchange Program funds (see Section 1602 of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) can provide a substitute for equity financing and shall be administered through a separate application process.

ADOH will, in its discretion, determine which, if any, sources of gap financing shall be committed to a project. Federal HOME Investment Partnerships Program and TCAP program requirements may limit the availability of funds for projects that take physical action on a site or make a commitment or expenditure of funds. (see Paragraph III(B))

ADOH will not preview, comment on, or evaluate any element of any application prior to its initial submittal. However, ADOH may respond to requests for guidance on the interpretation of the State’s policies, the Housing programs in general, and program requirements for certain project characteristics.

### II. DESCRIPTION OF FUNDING SOURCES

In a cover letter, applicants should indicate whether they are seeking gap financing only from specific funding sources or are willing to accept assistance under any of the available sources. See below for program requirements that may restrict funding eligibility for projects that have commenced development activity.

#### A) State Housing Trust Funds (HTF).

Housing Trust Fund is the most flexible and easiest to incorporate into a tax credit project. Established in 1988 by the Arizona State Legislature, the HTF was created to provide a flexible funding source to assist in meeting the housing needs of low-income families in Arizona. Legislation governing the HTF is published at A.R.S. 41-3955 and A.R.S. 44-313. The HTF is funded from a 55 percent allocation of unclaimed property deposits, interest on unexpended funds, loan repayments and recaptured funds. By statute, 36 percent of the annual allocation is specifically designated for use in rural areas of the State.

Please note that HTF funds are subject to appropriation by the Legislature and their availability for gap financing may change from time to time due to State budget requirements.

**B) The HOME Investment Partnerships Program (HOME) funds.**

Federal HOME Funds are allocated to the State through the U.S. Department of Housing and Urban Development (HUD). HOME was created by the National Affordable Housing Act of 1990 (NAHA). HOME program funds may be used, "to increase the number of families served with decent, safe, sanitary, and affordable housing and expand the long-term supply of affordable housing . . . ." HOME funds are subject to all the federal requirements and regulations that apply to the HOME program. Regulations governing the HOME Investment Partnerships Program are published at 24 CFR Part 92 (Final Rule, published September 16, 1996. Revised final rule amendments were published October 31, 2002.). Applicants are encouraged to become familiar with Federal regulations. The regulations and corresponding clarification notices can be found at:

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/>

For a more information on adding HOME funds to your LIHTC project go to the following link:

<http://www.hud.gov/offices/cpd/affordablehousing/training/web/lihtc/homefunds/addfunds.cfm>

Additional useful information is available in the *SHF Program Summary and Application Guide*, which is available on the ADOH website at:

[http://azcms.housingaz.com/uploads/STATE%20HOUSING%20FUND/FY09%20Applications/SHF\\_Program\\_Summary\\_App\\_Guide.pdf](http://azcms.housingaz.com/uploads/STATE%20HOUSING%20FUND/FY09%20Applications/SHF_Program_Summary_App_Guide.pdf)

**C) Tax Credit Assistance Program ("TCAP") Fund**

The Tax Credit Assistance Program was established by the American Recovery and Reinvestment Act of 2009. TCAP funds are intended to facilitate shovel-ready rental projects for the immediate creation of new jobs or to save jobs at risk of being lost as part of the economic stimulus package. ADOH, as the tax credit allocating agency for Arizona, applied for TCAP funds from the U.S. Department of Housing and Urban Development (HUD) to facilitate the development of projects that received or will receive LIHTC awards between October 1, 2006, and September 30, 2009. TCAP funds shall only be available to projects that will be completed by February 16, 2012. Depending upon the year of the LIHTC allocation, individual projects may be subject to an earlier in-service date requirement. An award of TCAP funds will **not** serve to extend any such in-service requirement, and if a project fails to qualify for its LIHTCs, it will lose its TCAP funding. TCAP funds shall only used to cover capital investment for costs includable in "eligible basis" for multi-family rental projects under I.R.C. § 42.

**III. ELIGIBILITY REQUIREMENTS**

Generally, LIHTC projects that receive or received a reservation of tax credits under the 2007 QAP, 2008 QAP, and 2009 QAP are eligible to receive gap financing from the Department in the 2009 calendar year. Projects must also meet the requirements of specific funding sources.

Federal program eligibility requirements are set forth in this Guide for the convenience of applicants. Applicants are expected to be familiar with the program requirements and restrictions of each funding source.

In addition to the requirements described of Section 7.3(B)(3)(c) and (d) of the 2009 Qualified Allocation Plan, applications for gap financing under this Guide shall meet the following requirements:

**A) General Eligibility Requirements.**

- 1) Applications for gap financing must contain the materials identified in Paragraph IX.
- 2) Dun and Bradstreet Number. Applicants seeking consideration for HOME or TCAP funding must provide a Dun and Bradstreet Number ("DUNS Number"). Applicants organized under certain forms of business organization are not required to have a DUNS Number. For more information about obtaining a DUNS Number call: 1-866-705-5711.
- 3) The funding gap must be attributable to the following factors: credit pricing, low-income targeting, or by other shortfalls in sources of funding attributable to tight credit markets. Projects that are not otherwise financially viable or feasible are not eligible for gap financing through ADOH. Applicants must adhere to the most restrictive regulations of TCAP, HOME, or HTF, as applicable.
- 4) Applicants must complete a Phase I Environmental Assessment for all project activities (new construction, acquisition/rehab, new construction/rehab, rehab).

**B)** Applications in which a property is currently inhabited by tenants must submit a relocation/temporary relocation plan that is in accordance with the requirements of the Uniform Relocation Act (URA) even if the Applicant does not anticipate temporary relocation. All costs associated with relocation/temporary relocation of tenants must be reflected in the development budget. All current tenants must be notified that the Applicant has applied for funding in conformance with the URA and must be notified regarding the potential acquisition in writing. See Attachments C & D for instructions and sample letters.

**C) Program-Specific Eligibility Requirements**

- 1) Tax Credit Assistance Program ("TCAP") Evaluation, Eligibility Requirements, and Review Criteria. Projects must meet the following eligibility requirements to be considered for TCAP funding:
  - a) Projects must receive or have received a reservation of tax credits under the 2007, 2008 or 2009 QAP's. For projects receiving tax credits under the 2009 QAP, tax credits must be committed to the project (by means of a letter of firm commitment from ADOH) by no later than September 30, 2009.
  - b) Projects must warrant completion by no later than the deadlines imposed by I.R.C. § 42 or on or before February 16, 2012, whichever is earlier.
  - c) Projects must demonstrate that TCAP funds will be solely used for capital investment for costs included in "eligible basis" (swimming pools are ineligible for funding).
  - d) Davis-Bacon Act. TCAP requires that a contract for construction pay to all laborers and mechanics not less than the wages prevailing in that locality as predetermined by the Department of Labor. Prevailing wages must be paid on the entire development and the wage provisions must be in the construction contract. For projects already under construction at the time of application, HUD rules may permit Davis-Bacon wages to be paid prospectively. Consult with HUD for such a determination.
  - e) HUD Format Environmental Review. Applicants must complete the environmental review process (24 CFR Part 58) before taking physical action on a site or making a

commitment or expenditure of funds. Applicable HUD regulations prohibit Applicants from entering into contracts, conditional or not, or in any way committing funds until ADOH gives notice to proceed for any project activity. For projects already under construction at the time of application, HUD prohibits the taking of any "choice limiting" activities from the time of the application until the completion of the environmental review. For more information, please contact ADOH. The Environmental Review Record Handbook and required forms are available on the ADOH website.

- f) Equal Opportunity and Fair Housing. Projects must have an affirmative fair housing marketing plan and comply with all applicable Acts, Orders, and Regulations that prohibit discrimination. These include: Fair Housing Act (24 CFR 100); Executive Order 12259 (Equal Opportunity in Housing); Title VI of the Civil Rights Act of 1964 (24 CFR 1); Age Discrimination Act of 1975 (25 CFR 146); Section 504 of the Rehabilitation Act (24 CFR 8); Executive Order 11246 (Equal Employment Opportunity). More information can be found at:

<http://www.hud.gov/offices/fheo/index.cfm>.

- g) Accessibility Standards. Project design must comply with the accessibility standards of the Americans with Disabilities Act, The Fair Housing Act and the Rehabilitation Act, as revised. More information can be found at:

<http://www.hud.gov/offices/fheo/FHLaws/index.cfm>

- h) Energy Star. The Project design must incorporate Energy Star standards.
- i) TCAP is a new program and may be subject to additional requirements and clarifications provided by HUD. Applicants must comply fully with all program requirements, regardless of whether such requirements are known at the time of application.

**D) Program-Specific Eligibility Criteria HUD HOME Investment Partnership Program Funds ("HOME Funds").**

Projects seeking gap financing with HOME funds must meet the following additional requirements:

- a) Demonstrate compliance with federal regulations governing the HOME Investment Partnerships Program, see 24 CFR Part 92 (Final Rule, published September 16, 1996, and the revised final rule amendments published October 31, 2002).
- b) Compliance with Davis-Bacon Act. The Act requires that a contract for construction with 12 or more HOME-assisted units pay all laborers and mechanics not less than the wages prevailing in that locality as predetermined by the Department of Labor. Prevailing wages must be paid on the entire development, not just the HOME-assisted units and the wage provisions must be part of the construction contract. See page 3 of the application forms for instructions on determining how many "HOME or Housing Trust Fund" Assisted units your project might potentially include. Please note that combining other federal funds (CDBG or local HOME) may also trigger Davis-Bacon requirements.
- c) Compliance with HUD Format Environmental Review requirements. Applicants must complete the environmental review process (24 CFR Part 58) before taking physical action on a site or making a commitment or expenditure of funds. Applicable HUD regulations prohibit Applicants from entering into contracts, conditional or not, or in any way committing funds until ADOH gives notice to proceed for any project activity. For more

information, please contact ADOH. The Environmental Review Record Handbook and required forms are available on the ADOH website.

- d) **Equal Opportunity and Fair Housing.** Projects must comply with all applicable Acts, Orders, and Regulations that prohibit discrimination. These include: Fair Housing Act (24 CFR 100); Executive Order 12259 (Equal Opportunity in Housing); Title VI of the Civil Rights Act of 1964 (24 CFR 1); Age Discrimination Act of 1975 (25 CFR 146); Section 504 of the Rehabilitation Act (24 CFR 8); Executive Order 11246 (Equal Employment Opportunity). More information can be found at: <http://www.hud.gov/offices/fheo/index.cfm>. That demonstrate compliance with applicable Davis-Bacon and NEPA requirements.
- e) **Accessibility Standards.** Project design must comply with the accessibility standards of the Americans with Disabilities Act, The Fair Housing Act and the Rehabilitation Act, as revised. More information can be found at:

<http://www.hud.gov/offices/fheo/FHLaws/index.cfm>

- f) **Energy Star.** The Project design must incorporate Energy Star standards.

**E) Program Specific Eligibility Requirement for Housing Trust Funds**

Energy Star. The Project design must incorporate Energy Star standards.

**F) Mandatory Affordability Requirements for Projects Funded with HOME Funds or Housing Trust Funds.** In addition to General and Program-Specific Eligibility Requirements outlined above, the following affordability criteria must be met for projects receiving HOME Funds or Housing Trust Funds:

- 1) Tenant income limit and rent ceiling requirements may be more restrictive than what is required by the tax credit program. Upon initial occupancy all tenants must earn no greater than 60% of the area median income as adjusted by household size, unless there are 5 or more HOME- or Housing Trust Fund-assisted units, in which case:
  - a) No less than 20% of the HOME- or Housing Trust Fund assisted units must be rented to very low-income households (50% or below AMI) at no greater than HOME or Housing Trust Fund/LIHTC rent limit.
  - b) The remainder of the HOME- or Housing Trust Fund-assisted units must be rented to low-income households (60% or below AMI) at no greater than the HOME or Housing Trust Fund/LIHTC rent limit.
  - c) Fair market rents (FMR) for existing housing with comparable units in the area as established by HUD must be utilized if FMR's are lower than published HOME or Housing Trust Fund rents.
- 2) HOME or Housing Trust Fund rents must be adjusted by deducting a utility allowance for all tenant-paid utilities.
- 3) Applicants must acknowledge that no HOME or Housing Trust Fund assisted units in a tax credit project may be refused for leasing to a holder of a Section 8 voucher or HOME tenant-based rental assistance certificate. When accepting Section 8 vouchers, the rent received, including tenant payment and subsidy, may not exceed the maximum HOME rent.
- 4) Use restrictions (rent limits and tenant income limits) are imposed on all HOME or Housing Trust Fund rental projects, during what the state refers to as the "period of affordability."

These restrictions are enforced through land use restriction agreements. The length of the “period of affordability” is determined as follows:

Activity	HOME or Housing Trust Fund Dollars Per Unit	Minimum Affordability Period
Acquisition and Rehabilitation or Rehabilitation Only	Less than \$15,000	5 years
	\$15,000 - \$40,000	10 years
	More than \$40,000	15 years
New Construction	Regardless of the amount	20 years

- 5) HOME or Housing Trust Fund gap financing applicants must submit to use restrictions (rent limits and tenant income limits) and tenant lease restrictions enforced through the Declaration of Land Use Restricted Covenants Agreement (“LURA”) and the Declaration of Covenants, Conditions and Restrictions (State CCR’s). Please note that the LIHTC program requires the LURA be recorded in first-lien position. The State CCR’s must be recorded in a senior lien position ahead of all other liens and encumbrances, including the primary mortgage holder’s lien if applicable.

**G) Eligibility Requirements Based on Timing Considerations**

- 1) Projects Competing for Tax Credits under the 2009 QAP FY09 Allocations must meet the following eligibility criteria:
  - a) The application for gap financing must be submitted simultaneously with the 2009 LIHTC application by no later than July 15, 2009.
  - b) GAP financing application must be made before the project begins construction. See, Special Instructions for Tax Credit Projects Under Construction
- 2) Projects That Received an Allocation of Tax Credits Under the 2007 or 2008 QAP must meet the following eligibility criteria:
  - a) Projects must have already received an allocation of tax credits in 2007 or 2008.
  - b) GAP financing application must be submitted by no later than June 26, 2009

**IV. SUBMISSION DEADLINES AND RELATED REQUIREMENTS**

- A)** Applications must be received by the Department by no later than 4 p.m. on the deadline dates noted below. Applications delivered after 4 p.m., will not be accepted.
- B)** Applicants must submit three gap financing applications in separate binders (one original and two copies), completing all required sections and providing all supporting documentation. Incomplete applications, application packages missing documentation, or application packages not filed in duplicate will not be accepted for review. See below for deadlines.

Applications Due Dates:	Applications must be mailed or hand delivered to:
Applications for Projects under the 2007 & 2008 QAP's: June 26, 2009 by 4p.m.	Attn: Rental Division Arizona Department of Housing 1110 W. Washington Street, Suite 310 Phoenix, AZ 85007
Applications for Projects under the 2009 QAP: July 15, 2009 by 4p.m.	

**V. APPLICATION REQUIREMENTS**

- A) Application fee.** Applications for gap financing must be accompanied by the non-refundable application fee in the amount of \$3,500. ADOH will not consider applications submitted without the application fee. A check or money order (separate from the \$3,500 LIHTC application fee) should be made payable to the Arizona Department of Housing with the designation "Gap Financing Application Fee."
- B) Other application requirements.**
  - 1) Applicants must complete Gap Financing forms and required attachments. Applicants must also provide the following.
  - 2) Written certification that all documentation provided in the previous LIHTC application is true and correct. If there have been any changes to any documents or funding, provide the updated information and supporting documentation (i.e. appraisal, market demand study, financing documents, capital needs assessment, management plan/company).

**VI. APPLICATION FORMAT**

- A)** Applications must be typewritten or computer generated. Applicants must not alter the application forms in any way. Clarification of information in the application may be explained in the cover letter. A copy of this application is available via e-mail or on the Department's website. Applications are available on request and can be sent to you by calling the Rental Housing Programs Assistant at (602) 771-1030.
- B)** Application materials must be submitted in:
  - 1) 8 ½ x 11 format
  - 2) single-sided
  - 3) All application forms and required Attachments must be provided in three separate binders.
  - 4) Contain the materials identified and tabbed as required in Paragraph IX of this Guide including the applicant certification form.

**VII. RESTRICTIONS ON USE OF GAP FINANCING PROVIDED BY ADOH**

- A)** Gap financing shall be awarded in the form of loans rather than grants. Loans shall be secured by a deed of trust. Affordability and other project requirements shall be enforced through restrictive covenants that bind the property or through such additional terms as ADOH determines appropriate, which will be made part of the loan documents or the funding agreement. ADOH determines the actual terms and conditions of each loan on a case-by-case basis.
- B)** Gap funds must be used during the actual construction phase. Gap funds shall be limited to reimbursement of hard construction costs (i.e. concrete, wood products, petroleum products and copper) or costs included in eligible basis.

- C) Projects containing additional ancillary space, beyond what is considered by ADOH to be reasonable and appropriate or not intended for use solely by tenants may not be eligible to receive gap financing. Projects assisted with gap financing should not contain luxury amenities. Federal guidance prohibits the use of TCAP funds to cover the cost of swimming pools.

### VIII. APPLICATION REVIEW CRITERIA

- A) ADOH SHF Program Summary and Application Guide. Matters of interpretation that cannot be resolved by the terms and provisions of the 2009 QAP or this Guide and applicable federal program requirements shall follow the SHF Program Summary and Application Guide.
- B) **Competitive process for TCAP.** In addition to General and Program Specific Eligibility Requirements described in paragraph II, TCAP funds shall be awarded to eligible, feasible, and viable projects preference being given to projects receiving the highest competitive score in the competitive process identified in ADOH's application for TCAP funds as approved by the United States Department of Housing and Urban Development. Except as otherwise may be required by HUD, applications that are eligible for TCAP funds shall be competitively scored as follows:
- 1) Projects that demonstrate readiness to commence construction by satisfying all of the following criteria (25 points)
    - a) Compliance with local land use and zoning requirements
    - b) Site control
    - c) Approval of project design including site plan and architectural drawings by the local governmental body
    - d) Completed NEPA Environmental Review
    - e) Approval of applications for building permits
    - f) Executed construction contract incorporating Davis Bacon Wage requirements
    - g) Firm commitment for construction financing solely be conditioned on award of TCAP.
    - h) Firm commitment for syndication and investor equity solely be conditioned on award of TCAP.
  - 2) Priority will be given to projects that warrant completion by December 31, 2011 (10 points)
  - 3) Acquisition/Rehabilitation (15 points)
  - 4) Preservation of Existing Subsidized Housing (15 points)
  - 5) Developer Experience (15 points)
  - 6) Rent Restricted Units Level of Effort (up to 15 points)
  - 7) Transit Oriented Development (15 points)
- C) **Underwriting.** Projects seeking gap financing shall be underwritten in accordance with Section 7 of the 2009 QAP and this Guide. ADOH shall evaluate requests for gap financing based on the information contained in the tax credit program application including the characteristics of the project and development costs.

**D) Funding Determinations.**

- 1) Only those tax credit projects that have received an award of tax credits and have submitted a gap financing application will be reviewed to determine whether gap financing through ADOH is appropriate. The application must meet eligibility, application review, and underwriting criteria. Award of gap funding is subject to the availability of the funds provided to the Arizona Department of Housing. The amount of gap financing available may be insufficient to fund every eligible tax credit project.
- 2) ADOH in its sole discretion shall determine the source of any gap financing committed to a project. As provided in Sections 7.3(B)(3)(c) and (d) of the 2009 QAP, in determining the source of gap financing, ADOH may consider various factors including but not limited to:
  - a) compliance with source program requirements;
  - b) whether gap financing will maximize the allocation of tax credits;
  - c) the sources and possible sources of alternative funding for the project;
  - d) the condition of the market;
  - e) whether the proposed project satisfies a critical need;
  - f) minimizing the risk of loss of taxpayer funds including consideration of the organizational and financial capacity and the program compliance history of the Development Team;
  - g) any identities of interest among the project owner, developer, and sources of equity; and,
  - h) maximizing geographic distribution of projects to regions of the state that benefit from the tax credit program.

**E) Reservation of Funding.**

- 1) Prior to final funding review, a letter describing the terms and conditions of the funding will be sent to the Applicant. The award of funding shall be conditioned upon meeting program/funding criteria, and may be further conditioned upon specific items set forth in the award letter.
- 2) ADOH may deny an application or cancel an award of gap financing if there is a material change to the characteristics or development costs of a project.
- 3) Upon written acceptance of ADOH's proposed terms and conditions for award of gap financing, the application will be considered for final funding approval. Upon final approval, the funding will be made available upon execution of a funding agreement which will form the basis for the actual distribution of funding.
- 4) If the project is funded with TCAP or federal HOME funds, no physical work on the project can begin (or in the case of projects already under way, be continued) until the environmental review requirements have been met and a written Authority to Use grant funds has been issued from HUD to ADOH.
- 5) In accordance with Section 7.2(A) of the 2009 LIHTC Qualified Allocation Plan, the project may be re-underwritten at the time of the construction loan closing, and any adjustments to the gap reservation will be made at that time. Should project sources or uses of financing change, then the amount of gap funds available to a project may change as a result.

## IX. FORM AND CONTENT OF AN APPLICATION FOR GAP FINANCING THROUGH ADOH

A complete gap financing application shall contain the information appropriately tabbed and as described below. It is the responsibility of the applicant to provide supporting documents necessary to demonstrate compliance with the requirements of any funding program or the competitive scoring criteria for TCAP funds.

Tab	DESCRIPTION and INSTRUCTIONS
	<p><b>Cover Letter.</b> Submit a cover letter similar to that which was submitted with the application for tax credits revised as necessary to address and explain any material changes to the project since the submission of the original tax credit application including but not limited to changes to the target AMI and rent structure, public benefit of the project, any special characteristics of the project, and any other information deemed pertinent to the project. The cover letter should also include a narrative explanation of the reason for the request and evidence that justifies any claim for increases in construction costs. Include the cover letter at the front of the application before the numbered tabs. Applicants should indicate whether they are seeking gap financing only from specific programs or are willing to accept assistance under any of the programs involved.</p> <p><b>Application Fee.</b> Non-Refundable Application Fee of \$3,500 should be included behind the cover letter.</p>
1	<p><b>Gap Financing Application Form.</b> Complete all required sections and provide all supporting documentation. NOTE: Incomplete applications, application packages missing documentation, or application packages not filed in duplicate will not be accepted for review.</p>
2	<p><b>Local Land Use and Zoning.</b> Projects competing for tax credits under the 2009 QAP shall submit a copy of the information included in Tab 10 of the tax credit Application. Projects that received tax credits under the 2007 and 2008 QAP's shall provide either 1) a copy of the information provided in the original tax credit application plus an explanation of any changes; or, 2) provide information necessary to fully describe any changes to the zoning status of the project.</p> <p>Include a copy of the Use Permit(s), if applicable.</p>
3	<p><b>Site Control Documentation.</b></p> <p>a) Projects competing for tax credits under the 2009 QAP shall submit a copy of the information included in Tab 9 of the tax credit Application.</p> <p>b) Projects that received tax credits in under the 2007 and 2008 QAP's shall provide one of the following to demonstrate legal control of the property. Copies of the documentation submitted in the original tax credit application shall be satisfactory if there has been no change in the status of site control. If the status of site control has changed, the applicant shall provide such information necessary to describe any changes in the site control for the project.</p> <ol style="list-style-type: none"> <li>1) A recorded deed (if already owned)</li> <li>2) A fully executed 99-year leasehold on the property (50 years for Tribal Land)</li> <li>3) A contract for purchase or lease</li> <li>4) An option for purchase or lease</li> <li>5) An approved and executed governmental resolution and other documentation indicating the intent to sell to the applicant.</li> </ol>

	<p>c) Note: Applicants must acquire land and buildings for the Project from unrelated third parties in arms-length transactions. If Applicants acquiring land and buildings for the project from a related party must disclose the identity of interest between the parties.</p> <p>d) All applicants shall provide a Preliminary Title report for the property dated within 60 calendar days of the date of the application. If there are scattered sites, one must be provided for each site.</p>
<b>4</b>	<p><b>Local Jurisdiction Site Plan Approval, Architectural Drawings &amp; Site Plans.</b></p> <p>a) Provide a complete copy of final approved site plans.</p> <p>b) Provide copies of architectural drawings that have been approved by the local jurisdiction.</p> <p>c) Projects that are unable to provide an approved site plan or architectural drawings, submit preliminary drawings and renderings of the development including:</p> <ol style="list-style-type: none"> <li>1) Site plan showing topography general development of the site, the building and parking location, and proposed landscaping;</li> <li>2) The facility building layout and net floor area for projects proposing a Community Facility or Community Services Facility;</li> <li>3) Plans and elevations for each proposed building and clubhouse.</li> </ol>
<b>5</b>	<p><b>Building Permits.</b> Projects that intend to compete for TCAP funds shall provide the following materials:</p> <p>a) Provide copies of all building permits.</p> <p>b) Projects that are unable to provide building permits must provide a timeline of when permits will be obtained.</p>
<b>6</b>	<p><b>Phase I Environmental Assessment.</b></p> <p>Provide a Phase I and/or II Report that meets the standards of ASTM E1527-05 not older than 1 year of application.</p> <p>Projects that received tax credits under the 2007 and 2008 QAP's shall provide a copy of the information provided in the original tax credit application plus an explanation of any changes.</p>
<b>7</b>	<p><b>HUD Format (NEPA) Environmental Review.</b></p> <p>a) Projects intending to compete for TCAP or HOME funding shall provide a completed HUD Format Environmental Review, on Department forms, pursuant to 24 CFR Part 58.</p> <p>b) Provide a copy of the letter of determination from the State Historic Preservation Office (SHPO) (for all project types).</p> <p>c) If the project is on tribal land, a copy of the determination letter from the Tribal Historic Preservation Officer (THPO) must be provided.</p> <p>d) Projects that received tax credits under the 2007 and 2008 QAP's shall provide a copy of the information provided in the original tax credit application plus an explanation of any changes.</p>
<b>8</b>	<p><b>Construction Contract.</b></p> <p>a) Provide a copy of the executed construction contract.</p> <p>b) Applicants that have not executed the construction contract must provide a written timeline of completion.</p>

9	<p><b>Davis Bacon.</b></p> <p>If Davis Bacon Wages were used in the construction contract, provide a copy of the prevailing wage sheet used from the Department of Labor. <a href="http://www.hud.gov/offices/olr/index.cfm">http://www.hud.gov/offices/olr/index.cfm</a></p>
10	<p><b>Commitment Letters.</b></p> <p>a) Applicants with firm commitments for financing must include commitment letter(s) from the source of financing (i.e. construction, local jurisdiction, etc). Commitment letters must include the following:</p> <ol style="list-style-type: none"> <li>1) Term sheet;</li> <li>2) Amount of the loan;</li> <li>3) Interest rate, including all points;</li> <li>4) Amortization period, if applicable;</li> <li>5) Term of the loan;</li> <li>6) Loan-to-value factor;</li> <li>7) Maximum and minimum debt service coverage allowable (not required if the per lending source is a governmental or tribal entity);</li> <li>8) All commitment and/or origination fees;</li> <li>9) Description of all other fees directly attributed to the funding of the loan;</li> </ol> <p>b) If funding is available within the proposed project's jurisdiction, letters of commitment with the aforementioned requirements and/or letters of denial must be provided.</p> <p>c) Applicants that are unable to provide firm commitment letters must provide Letters of Interest from all potential funding sources.</p> <p>d) TCAP Applicants must provide fully executed agreements for any sponsor or investor guarantee or commitment to equity funding and any guarantee to cover operating deficits for the project.</p> <p>e) For projects that received tax credits under the 2007 or 2008 QAP's: Applicants must provide evidence of receiving an allocation of Low Income Housing Tax Credits in the form of either the reservation letter received or the Carryover Allocation Agreement executed by ADOH.</p>
11	<p><b>Preservation of Subsidized Housing.</b></p> <p>a) For projects proposing to rehabilitate/preserve affordable housing with existing project-based rental assistance (i.e. Section 8 or RD rental assistance) the following is required:</p> <ol style="list-style-type: none"> <li>1) A copy of the rental assistance contract must be provided indicating the amount of assistance and number of rental units to be served/preserved.</li> <li>2) A confirmation letter must be provided from HUD or RD insuring the rental assistance will remain with the rehabbed units once they are completed.</li> </ol>
12	<p><b>Development Team Experience.</b></p> <p>Complete Attachment J "Development Team" and provide all required supporting documentation.</p>
13	<p><b>Transit Oriented Documentation.</b></p> <p>a) Projects supporting transit oriented design characteristics must provide an appropriate map demonstrating four of the following:</p> <ol style="list-style-type: none"> <li>1) Project located within a one half-mile radius of a major employment center;</li> <li>2) Project located within a one half-mile radius of post-secondary educational institutions;</li> </ol>

	<p>3) Project located within a one half-mile radius of an identifiable concentration of retail commercial enterprises;</p> <p>4) Project located within a one half-mile radius of a readily identifiable concentration of local government offices;</p> <p>5) Project located one half-mile or less from a mass transit route or light rail line.</p>
<b>14</b>	<p><b>Occupied Building(s) and Relocation Information.</b> See information required under attachments C and D.</p>
<b>15</b>	<p><b>Capital Needs Assessment (Rehabilitation Projects).</b></p> <p>a) For rehabilitation projects, a Capital Needs Assessment (CNA) must be provided not older than 90 days of application. Items identified in the CNA must be addressed in the development budget.</p> <p>b) For Projects that received tax credits under the 2007 or 2008 QAP's: If the original CNA provided to the Department has changed, provide an updated assessment.</p>
<b>A</b>	<p><b>Developer Certification Form.</b> <u>All Applicants must Complete Attachment A "Developer Certification Form."</u></p>
<b>B</b>	<p><b>Local Government Resolution.</b> (Required of all local governmental applicants.) Applications from local governmental entities (cities, town, counties, and tribal governments) must provide a resolution from their governing body. See Attachment B for a sample. Include the actual resolution as Attachment B to the Gap Financing Application.</p>
<b>C</b>	<p><b>Tenant Relocation.</b></p> <p>a) <u>Complete Attachment C "Relocation Information."</u></p> <p>b) Applicants indicating that their project will result in relocation of tenants of occupied buildings (including businesses) from a current rental property must submit a relocation plan that is in accordance with the requirements of the Uniform Relocation Act (URA). All costs associated with relocation of tenants must be reflected in the development budget. Applicants must submit a completed Attachment C, copies of tenant notification letters sent to tenants (see attachment C1 for samples), and a completed Attachment D.</p> <p>c) <u>Complete Attachment D "Permanent &amp; Temporary Relocation Information."</u></p>
<b>D</b>	<p><b>Permanent &amp; Temporary Relocation Information.</b> <u>Complete Attachment D "Permanent &amp; Temporary Relocation Information."</u> Applicants indicating that their project is currently inhabited by tenants must submit a temporary relocation plan that is in accordance with the requirements of the Uniform Relocation Act (URA) even if the Applicant does not anticipate temporary relocation. All costs associated with temporary relocation of tenants must be reflected in the development budget. All current tenants must be notified that the Applicant has applied for funding in conformance with the URA and must be notified regarding the potential acquisition in writing. (See Attachment D for instructions and sample letters. (C1 &amp; D1)) Applicants must complete and submit Attachment D and must include copies of tenant notification letters.</p>
<b>E</b>	<p><b>Fair Housing Act Accessibility Checklist.</b> <u>Complete Attachment E "Fair Housing Act Accessibility Checklist."</u> The Fair Housing Accessibility Checklist must be fully completed and signed by the project Architect.</p>

<b>F</b>	<b>Affirmative Fair Housing Marketing Plan.</b> Applicants proposing to build 5 or more units- <u>Complete Attachment F – HUD Form 935.2 “Affirmative Fair Housing Marketing Plan.”</u>
<b>G</b>	<b>Site &amp; Neighborhood Standards (New Construction).</b> New construction projects must <u>complete Attachment G “Site &amp; Neighborhood Standards.”</u>
<b>H</b>	<b>FEMA Floodplain Map.</b> Provide a FEMA floodplain map detailing the site and flood zone as Attachment H.
<b>I</b>	<b>Rent Restricted Units Level of Effort.</b> All Applicants requesting TCAP funds must <u>complete Attachment I “Rent Restricted Units Level of Effort.”</u>
<b>J</b>	<b>Complete the TCAP Self Score Sheet.</b> All Applicants requesting TCAP funds must <u>complete Attachment K “TCAP Self Score Sheet.”</u>
<i>Additional Items for Previously Allocated LIHTC applicants (2007 or 2008)</i>	
<b>16</b>	<b>Narrative Description of Increased Construction Costs.</b> Provide a detailed narrative description of the reason for the request of funds; include evidence justifying the increase in construction costs affecting eligible basis.
<b>17</b>	<b>LIHTC Application Certification.</b> Provide a written statement, signed by the applicant or developer, certifying that all information provided in the LIHTC application is true and correct.
<b>18</b>	<b>Updated Information &amp; Supporting Documentation.</b> If there have been any changes to any documents or funding provided in the original LIHTC application, then provide the updated information and supporting documentation (i.e. appraisal, market demand study, financing documents, capital needs assessment, management plan/company).